



# Natixis Indices

## Expert Judgement Policy

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## 1 Introduction

The Index Rules and other methodology documents and policies which underpin Indices are written with the intent of removing as far as possible the need for judgement or discretion to be exercised.

However, these documents cannot cover every eventuality, so that exercise of expert judgment or other kind of discretion may be necessary in the process of an Index Level determination or any other decision made by Natixis, acting as Index Administrator in relation to such Index.

This policy sets out the various cases that may lead to the exercise of discretion by Natixis, as well as the leading principles governing the decision-making processes.

Unless otherwise defined herein, defined terms shall have the meaning set out in the "General Index Rules for Indices Administered by Natixis" published on the Index Administrator Website.

## 2 Governance

Natixis acting as Index Administrator through the Natixis Index Committee, or the Natixis Supervisory Committee or as Index Calculation Agent or as Index Publication Agent may exercise discretion in the process of the Index Level determination or in relation to any other decision in relation to such Index.

However, the exercise of discretion relates essentially to the daily Index Level determination.

For the purposes of making any decision, in particular when determining whether a Disrupted Day or an Extraordinary Event has occurred, the Index Calculation Agent may ask other departments within the Index Administrator for analysis and expert assessments.

In case of a Disrupted Day or any Market Disruption Event, the Index Calculation Agent shall promptly notify the Natixis Index Committee of the occurrence of such event.

In case of any Extraordinary Event (other than a Force Majeure Event or an Index Service Provider Extraordinary Event) or any Disrupted Day the

Index Calculation Agent will determine the adjustments and calculations required following the occurrence of any such Disrupted Day or Extraordinary Event.

In the event of a Force Majeure Event or an Index Service Provider Extraordinary Event, the Index Calculation Agent shall convene the Natixis Index Committee.

The Natixis Index Committee may amend the Index Rules in accordance with its own procedures, including following a consultation process in case of a material change to the methodology or decide to cease to publish or make available to the public the relevant Index.

Each change or cessation will be notified to the Natixis Supervisory Committee, which holds responsibility for overseeing all modifications and cessations of Indices.

*More details are available in the following documents:*

- *General Index Rules For Indices Administered By Natixis;*
- *Natixis Indices Cessation or Change Procedure;*
- *Natixis Indices TOR NIC; and*
- *Natixis Indices TOR NSC.*

### 3 Circumstances under which discretion may be exercised

The circumstances under which discretion may be exercised by Natixis include, but are not limited to:

- Disrupted Day, Extraordinary Events or Force Majeure Events as described in the Index Rules;
- decisions regarding the treatment of a certain corporate action occurring alone or jointly with other corporate actions;
- timing of the treatment of a certain corporate action;
- possible cases of input data anomalies, for example in case of price discrepancies between different input data sources;
- periods of market stress or other disruptions;
- any other case on which an interpretation of data may be necessary;

- where a market event is not fully anticipated or addressed in the Index Rules;
- where any input data is unavailable or considered by the Index Calculation Agent to be unreliable for any reason; and
- where Index Rules do not provide unambiguous guidance on the remedy to be performed should an error in an Index calculation be identified.

## 4 Consequences of the exercise of discretion

Depending on which circumstance has occurred, the consequences may include:

- the recalculation of the Index Level with appropriate input data;
- the determination of the appropriate adjustment to be made (including the determination of an appropriate successor or substitute or the appropriate adjustment to the quantity of the relevant Index Element);
- no adjustment to the Index; and
- the removal of the Affected Element and pro rata rebalancing among the remaining Elements.

In the case where Index Rules do not provide unambiguous guidance on the remedy to be implemented by the Index Calculation Agent, should an error in an Index calculation be identified, the Index Calculation Agent will inform the Natixis Index Committee of such error. The Natixis Index Committee will assess the case and make any decision in relation to the relevant Index which may include changes to the Index methodology, remediation of calculation, or cessation of the Index, in accordance with the Natixis Index Cessation or Change Procedure.

## 5 Leading principles

Where Natixis exercises any discretion in the process of the Index Level determination or in relation to any other decision with respect to such Index, it should take in account all circumstances of the individual case, and in particular it should take into consideration the following aspects (non-exhaustive listing):

- discretion should be applied to reflect the commercial objectives of the Index and the market practice;
- discretion should be exercised, to the extent practicable, in a manner to ensure consistency, i.e. Natixis should endeavor to treat comparable cases similarly;
- discretion should be exercised in good faith;
- discretion should be exercised in a commercially reasonable manner;
- discretion should be exercised by personnel who are sufficiently qualified and possess the requisite experience and skill;
- the replicability and representativeness of the Index should be warranted;
- discretion should be exercised so that any market distortions and adverse impacts on the market can be excluded or at least minimized to the extent possible;
- the respective Index determinations must not be influenced by any kind of conflicts of interest, whether internal or external;
- the interests of all stakeholders should be taken into account and decisions should be made independently of any single interest group.

When expert judgement or discretion is required, the Index Calculation Agent is committed ahead of time:

- to inform all stakeholders through appropriate Natixis committee (Natixis Index Committee or Natixis Supervisory Committee) and to formalize, to document and explain each step of the Indices calculation at which discretion is exercised (filtering, weighting or basket, allocation, Index valuation);
- to specify criteria that are to be used;
- to specify the input data used after controls to be carried out by the Data Management team.

## 6 Process to report discretion or expert judgement for an Index:

Where Natixis (GMO) acts as Index Calculation Agent in respect of an Index, it will report any exercise of discretion or recourse to expert judgment in an Excel file to keep a track record of any such event:

- event type;
- Bloomberg status of the affected Element;
- Bloomberg ticker of Indices including the affected Element;
- Event date;
- Brief description of the nature of the event;

- A follow-up status: “Opened”, “Ongoing” and “closed”;
- Decision taken and criteria used to reach that decision; and
- Publication/calculation status.

## 7 Periodic review

The Natixis Indices Expert Judgement Policy is reviewed annually by the Natixis Supervisory Committee and shall be made available to investors upon request.

## 8 Disclaimer

Natixis makes no warranty, expressed or implied, including, without limitation, any warranties as to the fitness for a particular purpose, accuracy, or completeness and shall not in any way be liable for any inaccuracies, errors or omissions herein.

Any unauthorized use, disclosure, reproduction or dissemination, in full or in part, in any media or by any means, without the prior written permission of Natixis is strictly prohibited.

Natixis maintains long-term records (at least 5 years) of all information related to the above-mentioned documents.